

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

GENESEE CO-OP FEDERAL CREDIT UNION

Point of Contact:	MELISSA MARQUEZ	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	1125	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	300,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	23848
Date Funded (first funding):	September 17, 2010	City:	ROCHESTER
Date Repaid ¹ :	N/A	State:	New York

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Our loan growth in 2011 was 8%. Our growth in auto loans was 19% and 11% for mortgages. Unsecured lending decreased 9%. Our student loan portfolio decreased 14% since we no longer make student loans. So it was a mixed bag with an overall solid performance.

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☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Of the 18 first mortgages, 14 were in our CDFI Investment Area and 3 were for 1st time home buyers. We also made loans to small businesses and minority and women-owned businesses.

☐ **Increase securities purchased (ABS, MBS, etc.).**

☐ **Make other investments.**

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☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

☐ Increase charge-offs.

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☐ Purchase another financial institution or purchase assets from another financial institution.

☐ Held as non-leveraged increase to total capital.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Genesee Co-op FCU had 7% net worth at the end of the second quarter of 2010. The infusion of capital from CDCI caused our networth to increase to 9.56% at the end of September 2010. During the third quarter of 2010, our net worth had dropped to 6.78% due to an average of 16% asset growth during the quarter. Without the CDCI infusion, Genesee Co-op FCU would have been below 7% net worth. With that condition, we would have been preparing a net worth restoration plan and we would have been trying to slow down our growth, therefore not serving our low and moderate-income neighborhoods and trying to meet their need for affordable credit and opportunities for savings. The CDCI helped us continue to grow and focus on lending and financial services instead of being in a mode of retrenchment and no growth. Our net worth had dropped because of the write-off of losses from our corporate credit union system. Without these losses, our net worth at the end of the second quarter would have been 8.14% instead of 7%. While our asset growth in 2010 had put pressure on our net worth, the corporate credit union losses were the most substantial external impact to hit our community development financial institution in its 28 year history. CDCI has made a huge difference for our little community development credit union!

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

With the infusion of CDCI capital, we were able to focus on growing our credit union and increasing our services and lending to our members. We were able to work on accomplishing our strategic business plan and completing our CDFI goals. We were able to continue providing financial counseling to people interested in mortgages, micro-enterprise business loans as well as affordable business loans.